



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation on **August 4, 2000**

NOTICE OF ACTION TAKEN -- DOCKET OST 2000-7656

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of **UNITED AIR LINES, INC.**, filed **7/14/2000**, for:

XX Exemption for two years under 49 U.S.C. §40109 to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between (1) the terminal point Los Angeles, California, and the terminal point San Jose del Cabo, Mexico; and (2) the terminal point Los Angeles, California, and the terminal point Puerto Vallarta, Mexico.¹ United proposes to operate services in both markets on a seasonal basis.

XX Statement of Authorization under 14 CFR Part 212 to:

Display the "MX" designator code of United's code-share partner, Compania Mexicana de Aviacion, S.A. de C.V. (Mexicana), on the services described above.

Applicant rep: **Jeffrey A. Manley (202) 663-6670** DOT Analyst: **Linda L. Lundell (202) 366-2336**

DISPOSITION

XX Granted conversion of United's Los Angeles-Puerto Vallarta exemption authority (see below)

XX Dismissed request for longer-term exemption authority for Los Angeles-Puerto Vallarta market (see below)

XX Balance deferred (see below)

The above action regarding United's converted exemption authority was effective when taken: **August 3, 2000.**²

The above action dismissing longer-term exemption authority for Los Angeles-Puerto Vallarta market, and deferring on the balance of the application was effective when taken: **August 3, 2000.**

Action taken by: Paul L. Gretch, Director
Office of International Aviation

XX The authority granted is consistent with the aviation agreement between the United States and Mexico.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity (United)

XX Standard Exemption Conditions (attached)

Remarks: On July 31, 2000, American Airlines, Inc., filed an answer opposing United's application to the extent it seeks authorization to operate its own service in the Los Angeles-San Jose del Cabo market (American also filed a competing application for the authority in Docket OST-2000-7714). We have deferred action on that portion of United's application, and will address the issue of that authority separately. We will also handle separately the request of United for a statement of authorization.

¹ United holds exemption authority, through June 4, 2001, to serve the subject markets on a code-share only basis on flights operated by Mexicana (see Order 99-6-6 at 13). United now plans to inaugurate seasonal service in the Los Angeles-San Jose del Cabo/Puerto Vallarta markets on December 16, 2000, with its own aircraft. We will construe United's application here as a request to convert its code-share only exemption authorization to include an operating exemption authorization under the procedures established by the Department in Orders 99-6-6 and 2000-5-31.

² Should United seek to renew its exemption authority for the Los Angeles-Puerto Vallarta market, it should file such application in Docket OST-97-3237, where it originally received the authority.

See next page

Conditions: The converted Los Angeles-Puerto Vallarta exemption authority granted United is subject to the dormancy notice requirements set forth in condition 7 of Appendix A of Order 88-10-2. Consistent with our standard practice, the dormancy notice period will begin on December 16, 2000, United's proposed startup date for these services.

On the basis of data officially noticeable under Rule 24(g) of the Department's regulations, we found the applicant qualified to provide the services authorized.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) immediate action was required and was consistent with Department policy; (2) grant of the authority was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted, dismissed, or deferred, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

*An electronic version of this document is available on the World Wide Web at:
http://dms.dot.gov/reports/report_aviation.asp*

APPENDIX A

U.S. CARRIER
Standard Exemption Conditions

In the conduct of operations authorized by the attached notice, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Except as specifically exempted or otherwise provided for in a Department Order, comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations (FAA), including all requirements concerning security; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.